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Taconic Opportunity Fund L.P.,
Taconic Market Dislocation Fund II L.P., and
Taconic Market Dislocation Master Fund II L.P.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., et al.,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
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**STIPULATION AND ORDER REGARDING
FILING AMENDMENTS TO PROOFS OF CLAIM**

Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator (the “Plan Administrator”) in the above referenced chapter 11 cases pursuant to the *Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors* (the “Plan”), and Taconic Capital Partners 1.5 L.P. (“Partners”), Taconic Opportunity Fund L.P. (“Opportunity Fund”), Taconic Market Dislocation Fund II L.P. (“Dislocation Fund”) and Taconic Market Dislocation Master Fund II L.P. (“Dislocation Master Fund,” and together with Partners, Opportunity Fund and Dislocation Fund, collectively, the “Claimants,” and together with the Plan Administrator, the “Parties”), hereby enter into this Stipulation and Order stipulate and agree as follows:

RECITALS:

A. On September 18, 2009, The Primary Fund of the Reserve Fund (“Primary Fund”) filed a proof of claim against LBHI, which was designated as claim number 17319 (“Claim 17319”) by the Plan Administrator’s court-approved claims agent (the “Claims Agent”).

B. On September 18, 2009, The Reserve Yield Plus Fund Of The Reserve Short-Term Investment Trust (“Reserve Yield”) filed a proof of claim against LBHI, which was designated as claim number 17596 (“Claim 17596”) by the Claims Agent.

C. On November 2, 2009, CNP Assurances (“CNP,” and collectively with Primary Fund and Reserve Yield, the “Original Claimants”) filed a proof of claim against LBHI, which was designated as claim number 63595 (“Claim 63595,” and collectively with Claim 17319 and Claim 17596, the “Original Claims”) by the Claims Agent.

D. The Original Claimants transferred the Original Claims to Goldman Sachs & Co. (“Goldman”). Pursuant to Rule 3001(e)(2) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Goldman filed evidence of the transfers of the Original Claims from the respective Original Claimants.

E. Goldman subsequently transferred portions of the Original Claims to the various Claimants in the amounts set forth on Exhibit A beneath the column “Original Taconic Claim Amount” (the “Original Taconic Claims”). Pursuant to Bankruptcy Rule 3001(e)(2), Claimants filed evidence of the transfers of the Original Taconic Claims from Goldman.

F. On December 6, 2011, the Court entered an order confirming the Plan [ECF No. 23023] (the “Confirmation Order”). The Effective Date (as defined in the Plan) occurred on March 6, 2012.

G. Pursuant to the Plan, the Plan Administrator is authorized to control and effectuate the claims reconciliation process with respect to claims filed against LBHI. To this

end, after the Effective Date, in order to avoid a formal objection or a costly litigation, the Plan Administrator reached out to the Claimants to consensually reconcile the amounts asserted in the Original Taconic Claims with the amounts reflected in the LBHI's books and records.

H. After working diligently to reconcile the numbers, the Claimants have agreed to reduce the amounts of the Original Taconic Claims as requested by the Plan Administrator. The agreed upon reduced amounts are set forth on Exhibit A beneath the column "Amended Taconic Claim Amount" (the "Amended Taconic Claim Amounts").

I. Pursuant to the Confirmation Order, after the Effective Date, a proof of claim may not be filed or amended without the authority of the Court.

J. Pursuant to the *Second Amended Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rules 1015(c) and 9007 Implementing Certain Notice and Case Management Procedures*, entered on June 17, 2010 [ECF No. 9635], which remains in effect after the Effective Date, "a party may settle or present a proposed order for approval by the Court as provided by Local Rule 9074-1." Rule 9074-1(b) of the Local Rules for the United States Bankruptcy Court for the Southern District of New York ("Local Rules") permits a proposed order to be submitted by a notice of presentment "[i]f notice and a hearing are not required, and a motion is not mandatory..." Local Rule 9071-1(b)(1)-(2).

K. The Plan Administrator consents to the filing of amended proofs of claim ("Amended Taconic Claims") to amend and supersede the Original Taconic Claims in order to reduce the amounts asserted by the Claimants to the Amended Taconic Claim Amounts.

L. The Parties are entering into this Stipulation and Order in order to allow the Claimants to file the Amended Taconic Claims.

**NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED BY
AND BETWEEN THE PARTIES, AND, UPON COURT APPROVAL HEREOF, IT
SHALL BE ORDERED THAT:**

1. Upon entry of this Stipulation and Order by the Court, the filing of the Amended Taconic Claims shall be authorized, and the Original Taconic Claims shall be disallowed and expunged. The Claims Agent shall update the claims registry accordingly.

2. This Stipulation and Order contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the Parties relating thereto.

3. This Stipulation and Order shall be binding upon and inure solely to the benefit of the Parties hereto and their respective successors and assigns. Nothing contained herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Stipulation and Order.

4. Each person who executes this Stipulation and Order represents that he or she is duly authorized to do so on behalf of the respective Party or Parties hereto and that each such party has full knowledge and has consented to this Stipulation and Order.

5. This Stipulation and Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation and Order to present any copy, copies, electronic copies, or facsimiles signed by the Parties hereto to be charged.

6. This Stipulation and Order shall be governed by and interpreted in accordance with the laws of the state of New York, except to the extent that the Bankruptcy Code applies, without regard to principles of conflict of laws that would require the application of laws of another jurisdiction.

7. This Court shall retain jurisdiction to resolve any disputes or controversies arising from this Stipulation and Order.

Dated: March 18, 2012
New York, New York

/s/ Thomas T. Janover, Esq.
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Taconic Opportunity Fund L.P., Taconic Market
Dislocation Fund II L.P., and Taconic Market
Dislocation Master Fund II L.P.

Dated: March 18, 2012
New York, New York

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Attorneys for Lehman Brothers Holdings Inc. and
Certain of Its Affiliates

SO ORDERED:

Dated: New York, New York
March 27, 2012

s/ James M. Peck
Honorable James M. Peck
United States Bankruptcy Judge

EXHIBIT A

Claim 17319

CLAIM NUMBER	DEBTOR	CREDITOR	ORIGINAL TACONIC CLAIM AMOUNT (\$)	AMENDED TACONIC CLAIM AMOUNT (\$)	ISIN
17319.32	LBHI	TACONIC CAPITAL PARTNERS 1.5 L.P.	31,750,000.00	31,628,132.74	52525MKT4
17319.48	LBHI	TACONIC MARKET DISLOCATION MASTER FUND II L.P.	10,000.00	9,961.62	52525MKT4
17319.20	LBHI	TACONIC MARKET DISLOCATION FUND II L.P.	2,433,900.00	2,424,557.87	52525MKT4
17319.22	LBHI	TACONIC OPPORTUNITY FUND L.P.	95,250,000.00	94,884,398.21	52525MKT4
17319.23	LBHI	TACONIC MARKET DISLOCATION MASTER FUND II L.P.	556,100.00	553,965.50	52525MKT4
17319.16	LBHI	TACONIC CAPITAL PARTNERS 1.5. L.P.	16,250,000.00	16,176,315.32	52525MKV9
17319.17	LBHI	TACONIC MARKET DISLOCATION FUND II L.P.	4,056,500.00	4,038,106.04	52525MKV9
17319.21	LBHI	TACONIC OPPORTUNITY FUND L.P.	48,750,000.00	48,528,945.96	52525MKV9
17319.18	LBHI	TACONIC MARKET DISLOCATION MASTER FUND II L.P.	943,500.00	939,221.75	52525MKV9
17319.43	LBHI	TACONIC CAPITAL PARTNERS 1.5 L.P.	1,200,000.00	1,194,558.67	52525MKV9
17319.42	LBHI	TACONIC OPPORTUNITY FUND L.P.	8,800,000.00	8,760,096.91	52525MKV9
			<u>210,000,000.00</u>	<u>209,138,260.59</u>	

Claim 17596

CLAIM NUMBER	DEBTOR	CREDITOR	ORIGINAL TACONIC CLAIM AMOUNT (\$)	AMENDED TACONIC CLAIM AMOUNT (\$)	ISIN
17596.00	LBHI	TACONIC CAPITAL PARTNERS 1.5 L.P.	3,600,000.00	3,583,676.01	52525MKV9
17596.01	LBHI	TACONIC OPPORTUNITY FUND L.P.	26,400,000.00	26,280,290.74	52525MKV9
			30,000,000.00	29,863,966.75	

Claim 63595

CLAIM NUMBER	DEBTOR	CREDITOR	ORIGINAL TACONIC CLAIM AMOUNT (\$)	AMENDED TACONIC CLAIM AMOUNT (\$)	ISIN
63595.03	LBHI	TACONIC OPPORTUNITY FUND L.P.	25,483,267.79	24,763,770.55	XS0364971225
63595.04	LBHI	TACONIC CAPITAL PARTNERS 1.5 L.P.	3,474,991.06	3,376,877.80	XS0364971225
63595.05	LBHI	TACONIC CAPITAL PARTNERS 1.5 L.P.	3,484,401.28	3,401,617.68	XS0360789951
63595.06	LBHI	TACONIC OPPORTUNITY FUND L.P.	25,552,276.03	24,945,196.29	XS0360789951
			57,994,936.16	56,487,462.32	